

Last Friday was a big day for reports in the cattle industry. Cattle on Feed came out for June, and the July 1 cattle inventory report was also released, both are from USDA NASS.

Cattle Inventory Report

The Cattle Inventory report lined up well with pre-report expectations. Pre-report expectations were covered in Wednesday's [DLR](#). All cattle and calves were even with a year ago, as were beef replacements, and bulls over 500 pounds. Beef cows and the calf crop both dropped by less than a full percent. Other heifers and steers over 500 lbs. were both larger than a year ago. Only two categories seemed to move opposite analyst expectations: Dairy replacements: Unchanged vs Pre-report +2.4% and Calves under 500 pounds: -0.4% vs. Pre-report +1.7%. It's worth noting the error around these numbers is several thousand head. In the back of the report, USDA NASS provides the reliability estimates for the report. For example, all cattle and calves average error is 350 thousand head.

Takeaways from the report indicate the beef herd is still contracting and is not looking to expand soon, based on the beef heifer replacements. The dairy herd, too, is showing notable caution given the sharp increase in Class III milk prices in June by not expanding dairy heifer replacement supplies. This could be a timing issue in that those milk checks would not have been incorporated into breeding plans ahead of the July 1 survey.

Cattle on Feed Report

Cattle on Feed was similar to analyst expectations. The on-feed number ended up slightly below a year ago, and placements were up 2.1% vs the average estimate of 3.9%. Animals marketed in June climbed 1.3% over a year ago, trying to whittle away cattle on a long number of days on feed.

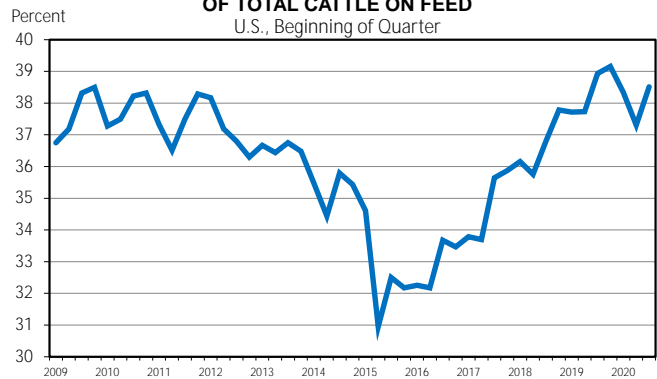
Lightweight cattle placed in June under 600 pounds placed at a rate of 11.7% ahead of last year. Drought and a higher number of feeder cattle from Mexico likely contributed. Placements 600-699 lbs. were up 5% from last year, while cattle over 800 lbs. were 5.9% larger than last year. The 700-799 lbs. category was below a year ago, about 8%.

Heifers continued to be placed on feed at a high rate. The July Cattle on Feed is a quarterly report summarizing cattle on feed by

class. Heifers represent nearly 38.5% of the cattle on feed in June, compared to 37.3% the quarter prior. Compared to July of last year, it's very similar.

Cattle on feed over 120 days retracted slightly from the 5.2 million head estimated last month to 4.9 million head. This is still 19% ahead of last year. Front end supplies will need to see slaughter above a year ago to work through those volumes. Steer slaughter the week after 4th of July resumed above year ago levels but heifer slaughter faltered and was just short of last year's. Total federally inspected slaughter was estimated this week are about even with a year ago, 646 thousand head.

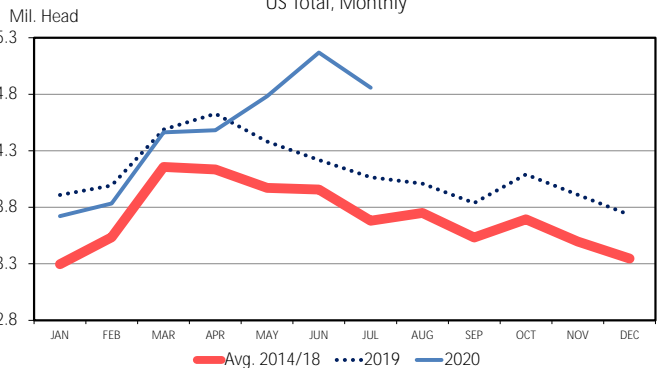
HEIFERS ON FEED AS A PERCENT OF TOTAL CATTLE ON FEED
U.S., Beginning of Quarter



Data Source: USDA-NASS, Compiled by LMIC
Livestock Marketing Information Center

07/24/20

CATTLE ON FEED OVER 120 DAYS
US Total, Monthly

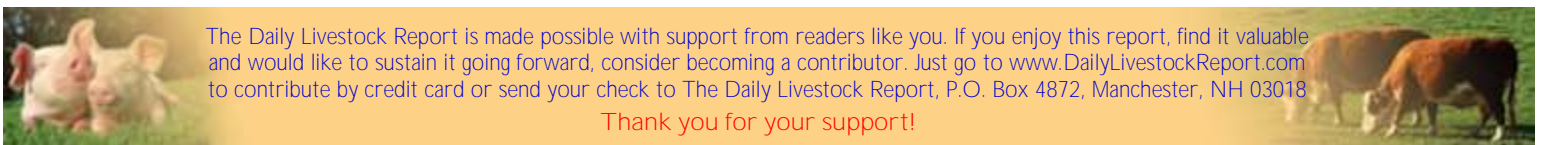


Data Source: USDA-NASS, Compiled by LMIC
Livestock Marketing Information Center

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07/24/20

Cattle on Feed Results and Industry Pre-Report Estimates			
	% of Year Ago		
	Actual	Pre-Report Average	Pre-Report Range
On-Feed July 1	99.6	99.9	99.1-100.7
Placed in June	102.1	103.9	100.1-107.9
Marketed in June	101.3	101.1	100.0-103.1

Pre-Report Source: Urner Barry (used with permission)



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PRODUCTION & PRICE SUMMARY

Week Ending 7/25/2020

Source: Various USDA Agricultural Marketing Service (Market News) reports. DATA ARE PRELIMINARY.

Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
		25-Jul-20	18-Jul-20		27-Jul-19			
Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	1,947	1,976	-1.5%	1,917	1.5%	55,835	0.5%
C Fl Slaughter	Thou. Head	646	650	-0.6%	652	-0.9%	17,786	-5.4%
A Fl Cow Slaughter **	Thou. Head	114	107	6.5%	117	-3.2%	3,398	0.0%
T Avg. Dressed Weight	Lbs.	834	830	0.5%	809	3.1%	826	2.8%
T Beef Production	Million Lbs.	537.3	538.4	-0.2%	525.9	2.2%	14,686	-2.8%
L Live Fed Steer Price, 5-Mkt	\$ per cwt	97.23	96.36	0.9%	113.68	-14.5%		
E Dressed Steer Price, 5-Mkt	\$ per cwt	158.10	157.56	0.3%	183.37	-13.8%		
Oklahoma Steer (600-700 lbs)	\$ per cwt	148.60	146.67	1.3%	151.24	-1.7%		
& Choice Beef Cutout	\$ per cwt	201.56	201.24	0.2%	213.09	-5.4%		
Hide/Offal	\$ per cwt, live wt	6.88	6.92	-0.6%	8.88	-22.5%		
B Rib, Primal, Choice	\$ per cwt	329.51	326.94	0.8%	351.18	-6.2%		
E Round, Primal, Choice	\$ per cwt	166.81	166.21	0.4%	166.14	0.4%		
E Chuck, Primal, Choice	\$ per cwt	162.07	163.40	-0.8%	170.43	-4.9%		
F Trimmings, 50%, Fresh	\$ per cwt	54.07	48.26	12.0%	81.81	-33.9%		
Trimmings, 90%, Fresh	\$ per cwt	238.15	243.33	-2.1%	222.74	6.9%		
H Fl Slaughter	Thou. Head	2,589	2,518	2.8%	2,359	9.7%	72,029	0.6%
H Fl Sow Slaughter **	Thou. Head	67.0	50.6	32.3%	59.9	11.8%	1,790	11.7%
O Avg. Dressed Weight	Lbs.	213.0	213.0	0.0%	209.0	1.9%	215	0.8%
G Pork Production	Million Lbs.	550	536.5	2.5%	491.8	11.8%	15,521	1.4%
S Natl. Negotiated Purchase	Wtd. Avg.	33.96	31.13	9.1%	79.84	-57.5%		
Natl. Base Carcass Price	Wtd. Avg.	53.95	50.74	6.3%	77.48	-30.4%		
& Natl. Net Carcass Price	Wtd. Avg.	55.97	52.83	6.0%	79.83	-29.9%		
Natl. Early Wean Feeder	10-12 Lbs.	17.04	15.83	7.6%	37.57	-54.6%		
P Pork Cutout	\$ per cwt	70.04	68.25	2.6%	82.18	-14.8%		
O By-product Value	\$ per cwt, live wt	3.63	3.61	0.6%	3.64	-0.3%		
R Ham, Primal	\$ per cwt	67.88	61.40	10.6%	75.69	-10.3%		
K Loin, Primal	\$ per cwt	68.77	66.25	3.8%	76.61	-10.2%		
Belly, Primal	\$ per cwt	98.35	99.48	-1.1%	131.71	-25.3%		
Trimmings, 72%, Fresh	\$ per cwt	89.01	83.95	6.0%	88.47	0.6%		
C Young Chicken Slaughter *	Million Head	162.1	165.2	-1.9%	167.86	-3.4%	4,743	0.4%
H Avg. Weight (RTC)	Lbs.	4.64	4.78	-2.9%	4.73	-1.8%	4.77	1.9%
I Young Chicken Production (RTC)	Million Lbs.	752.6	789.6	-4.7%	793.5	-5.1%	22,641	2.3%
C Eggs Set (US)	Million	231.9	234.0	-0.9%	232.9	-0.4%	6,782	0.9%
K Chicks Placed (US)	Million Head	189.2	189.7	-0.3%	185.2	2.2%	5,398	-0.1%
E National Composite Whole Bird	Composite	66.10	71.25	-7.2%	86.21	-23.3%		
N Northeast Breast, B/S	\$ per cwt	114.30	113.30	0.9%	106.53	7.3%		
Northeast Leg Quarters	\$ per cwt	27.69	27.2	1.8%	44.21	-37.4%		
T Total Turkey Slaughter *	Million Head	3.99	4.37	-8.7%	4.19	-4.7%	114.0	-1.0%
U Avg. Weight (RTC)	Lbs.	26.79	25.54	4.9%	25.33	5.8%	26.20	-1.0%
R Turkey Production (RTC)	Million Lbs.	107.0	111.7	-4.2%	106.2	0.8%	2,986	-2.0%
K National Hen (8-12 Lbs)	\$ per cwt	108.21	109.00	-0.7%	90.00	20.2%		
G Corn, Omaha	\$ per Bushel	3.11	3.13	-0.6%	4.28	-27.5%		
R Distillers Grain, IA	\$ per Ton	120.00	122.50	-2.0%	128.50	-6.6%		
A Soybean, Cntrl IL	\$ per Bushel	9.02	8.97	0.6%	8.86	1.8%		
I Soybn Meal 48%, Cntrl IL	\$ per Ton	290.90	287.50	1.2%	307.90	-5.5%		

* Chicken & turkey slaughter & production are 1 week earlier than the date at the top of this sheet.

** Cow and sow slaughter reflect levels from two weeks ago (part of "actual" rather than "preliminary" weekly slaughter report).

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